Investment scenario

3037. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether the investment by household consisting all non-corporate investment in agriculture as well as investment by non-corporate small units in industry and services had declined and is inverse to GDP after the year 2002;

(b) if so, the reasons therefore and the steps taken to rectify the same;

(c) the details of investment of private corporate sector for the last five years, year-wise and category-wise; and

(d) the details of concession like tax concessions, implicit subsidies and low interest rates granted to private corporate sector for the last five years, year-wise and category-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The information on investment (Gross Capital Formation) complied by the Central Statistical Organisation is available by type of assets (construction or machinery and equipment), type of institutions (public, private or household) and by industry of use for public and private sector, which includes both private corporate and household sectors. As per this information, the Gross Capital Formation of the household sector and the private sector, covering all sectors of the economy, showed a secular increase at constant 1999-2000 prices during the period 2002-03 to 2006-07. The year-wise details are as follows:

(*Rs. in crore*)

Types of Institutions	2002-03	2003-04	2004-05	2005-06	2006-07
Household Sector	281,769	308,766	312,549	322, 950	351,714
Private Sector	407,893	465,502	580,721	687,804	791,133

(b) Does not arise.

(c) The year and category-wise details of investment (Gross Capital Formation) at constant 1999-2000 prices of the private corporate sector are as follows:

(*Rs. in crore*)

Total & type of assets	2002-03	2003-04	2004-05	2005-06	2006-07
Total	115,588	143,298	236,918	321,443	387,284
Construction	26,006	33,227	48,510	87,701	92,327
Machinery & Equipment	89,582	110,071	188,408	233,742	294,957

(d) Implicit subsidies including special tax rates, exemptions, deductions, rebates, deferrals and credits, also referred to as tax expenditure is being reflected in Annex 12 of the Receipt Budget since the Budget 2006-07. The tax expenditure information is being presented for direct taxes covering the corporate sector, non-corporate sector and individual tax payers and for the indirect taxes, covering excise and customs duties. The broad details of the major tax expenditure in respect of the corporate (public as well as private) sector for the years it has been tabulated are as follows:

(*Rs. in crore*)

Items	2004-05	2005-06	2006-07	2007-08
Corporate tax	57,852	34,618	45,034	58,655
Excise duties	18,018	66,760	75,475	87,992
Customs duties	92,561	127,730	137,105	148,252

The figures for 2006-07 are provisional and for 2007-08 estimates.

Withdrawal of concessions/exemptions to SSIs

3038. SHRI KAMAL AKHTAR: Will the Minister of FINANCE be pleased to state:

(a) the nature and quantum of Income Tax, Central Excise and Custom duty concessions/ exemptions allowed currently for Small Scale Industries (SSIs);

(b) whether Government proposes to remove some of these concessions/exemptions in respect of certain identified categories of SSIs;

(c) if so, the details thereof;

(d) if not reasons therefor;

(e) whether any assessment of the adverse impact of such a move on SSIs has been undertaken;

(f) if so, the details thereof;

(g) if not reasons therefor;

(h) whether such snapping of support would render certain SSIs unviable resulting in their closure and consequential unemployment among skilled and unskilled workers; and

(i) if so, the Centre's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The existing SSI scheme notified under Notification No. 8/ 2003-CE dated 1st March 2003 as amended, provides full exemption from excise duty for first clearances upto Rs. 1.5 crore (exemption limit) of specified goods in a financial year, subject to non-availment of CENVAT credit on inputs and capital goods. On clearances beyond Rs. 1.5 crore, such units are thereafter required to pay normal duty and avail CENVAT credit of inputs and capital goods. The said exemption, however, is available only if total value of clearances of a unit in the preceding financial year does not exceed Rs. 4 crore (eligibility limit). SSI units also have the option of not availing the said exemption and paying full duty so as to avail of CENVAT credit. There are no concessions specifically for SSIs from Customs duty or Income Tax.

(b) At present, there is no such proposal under the consideration of the Government.

(c) to (i) Do not arise in view of (b) above.